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SERVICE SECTOR INDICATORS

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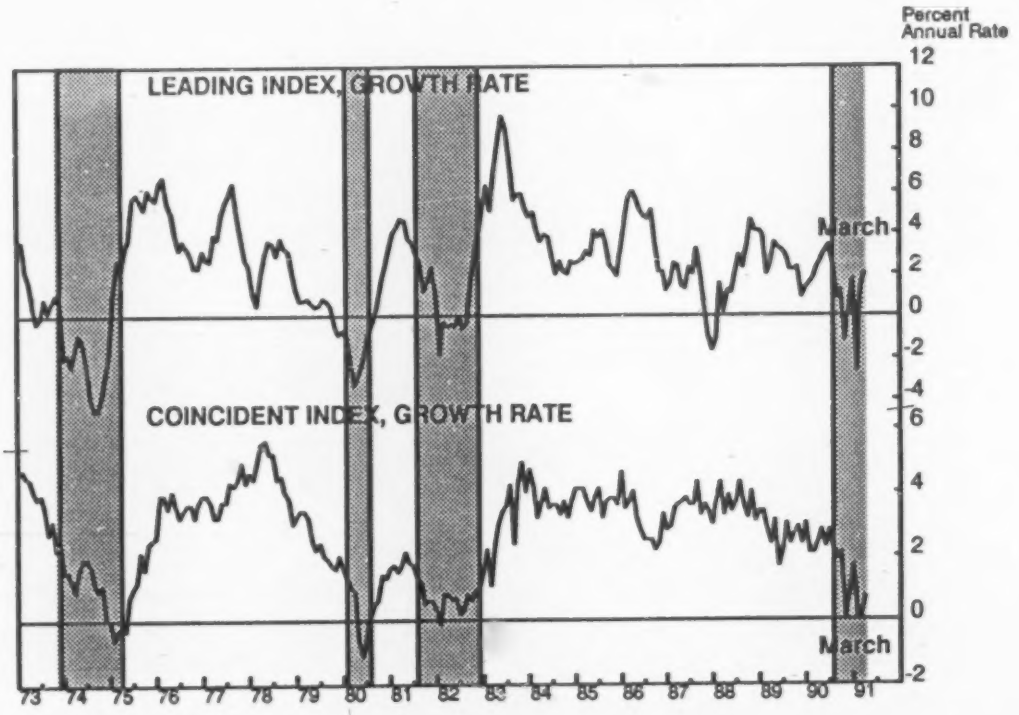
FASTER GROWTH IN SERVICES INDEXES

The leading index of service sector activity, compiled by the Columbia Business School's Center for International Business Cycle Research (CIBCR), rose from a revised 166.3 in February to 167.2 in March, while its smoothed annualized growth rate rose from a revised 1.2% in February to 2.0% in March. The index was pushed up by rises in stock prices and the average workweek in services, partly offset by a sharp drop in construction contracts for commercial buildings.

The coincident index of service sector activity also rose, from 192.4 in February to 193.2 in March, carrying its annualized growth rate up from 0.1% in February to 0.7% in March. The advance was caused by increases in labor income and personal consumption expenditures in services, offset in part by a drop in service employee hours.

While the rises in the indexes are positive signs, they are not yet strong enough to signal a cyclical upturn in the growth of the service sector.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index* (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Profit Margins, Services (cents per dollar)
	1.	2.	3.	4.	5.	6.
1990:						
Jan.	163.6	1.5	32.61	816	116.5	4.36
Feb.	164.1	1.8	32.74	742	112.1	4.44
Mar.	164.9	2.3	32.76	718r	114.6	4.49
Apr.	165.6	2.7	32.81	730r	113.8	4.54
May	166.2	3.1	32.76	737r	117.3	4.59
June	166.8	3.4	32.83	670r	121.2	4.57
July	166.3r	2.4r	32.78	570r	118.5	4.54
Aug.	165.1	0.8	32.66	576	106.0	4.51
Sept.	165.7r	1.2r	32.92	589r	100.1	4.45
Oct.	163.7r	-1.2r	32.39	584r	98.0	4.39
Nov.	165.1r	0.3r	32.63	595r	102.0	4.33
Dec.	166.5r	1.7r	32.89	458r	107.8	n.a.
1991:						
Jan.	163.0r	-2.6r	32.10r	503r	106.2	n.a.
Feb.	166.3r	1.2r	32.40r	515r	118.4	n.a.
Mar.	167.2	2.0	32.58	437	120.4	n.a.

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index* (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1990:						
Jan.	190.3	2.1	1942.4	1318.8	697.2r	114.6
Feb.	190.6	2.1	1943.7	1323.2	698.1r	114.6
Mar.	191.3	2.4	1946.6	1330.5	702.6r	114.9
Apr.	192.1	2.8	1949.6	1336.9	706.6r	115.5
May	191.9r	2.3r	1952.5	1336.6	705.7r	115.0
June	192.9	2.8	1957.4	1349.1	707.6	115.8
July	192.8r	2.2r	1962.4	1347.7	707.2	115.6
Aug.	192.8	1.9	1967.3	1351.5	704.8r	115.2
Sept.	193.4r	2.1r	1971.8	1353.2	706.4r	116.3
Oct.	191.5	0.0r	1976.2	1351.3	689.6r	114.4
Nov.	192.4r	0.7r	1980.7	1353.1	696.1r	115.2
Dec.	193.7r	1.7r	1984.5	1365.8	702.3r	116.0
1991:						
Jan.	192.2r	0.1r	1988.3	1362.7r	691.1r	114.4r
Feb.	192.4	0.1	1992.1	1361.1r	691.0r	114.9r
Mar.	193.2	0.7	n.a.	1372.8	695.4	114.5

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.

r = revised.

Col. 4 is revised.

Col. 11 is revised because of a revised seasonal adjustment for the Consumer Price Index.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.

4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adjusted by CIBCR.

5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.

6. This quarterly series is (1) corporate profits with inventory valuation and without capital consumption adjustments for transportation and public utilities, wholesale and retail trade, finance, insurance and real estate, and services, divided by (2) gross national product for services, both in current dollars as compiled by the Department of Commerce. Quarterly data are interpolated by CIBCR.

9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.

11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.

12. Bureau of Labor Statistics, all employees.

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